

AMENDED IN SENATE APRIL 7, 2011

SENATE BILL

No. 194

**Introduced by Committee on Governance and Finance (Senators
Wolk (Chair), DeSaulnier, Fuller, Hancock, Hernandez, Huff,
Kehoe, La Malfa, and Liu)**

February 8, 2011

An act to amend Sections 50057, 53601, 54954.6, 65353, 66426.5, 66428, 66452.6, and 66484.3 of, ~~and~~ to repeal Section 61041 of, *and to repeal Chapter 12.5 (commencing with Section 26170) of Part 2 of Division 2 of Title 3 of*, the Government Code, *to amend Section 4768 of*, to amend and renumber Section 33320.51 of, and to repeal Section 33038 of, the Health and Safety Code, to amend Section 20395 of the Public Contract Code, to amend ~~Section~~ *Sections 21669.5 and 99243* of the Public Utilities Code, *to repeal Part 16 (commencing with Section 36000) of the Revenue and Taxation Code*, and to amend Sections 2151 ~~and~~, 22525, 36522, 36608, 36615, 36622, 36623, 36625, 36627, 36631, *and 36670* of the Streets and Highways Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 194, as amended, Committee on Governance and Finance. Local government: omnibus bill.

(1) The Shasta County Regional Library Facilities and Services Act establishes the Shasta County Regional Library Facilities and Services Commission, and authorizes the commission to, among other things, issue bonds, levy a special tax pursuant to the Mello-Roos Community Facilities Act of 1982, levy a special tax pursuant to Section 4 of Article XIII A of the Constitution, levy a retail transactions and use tax, and levy service charges and fines, as specified.

This bill would repeal this act.

~~(1)~~

(2) Existing law provides that money in the treasury of a local agency or in the custody of a local agency officer that is unclaimed for 3 years is the property of the local agency after newspaper publication of notice if no verified complaint is filed and served. The legislative body of the local agency may transfer that unclaimed money from a special fund to the general fund. Existing law provides that with respect to unclaimed items in the amount of \$1,000 or less, the legislative body of any county may authorize by resolution the county treasurer to perform on its behalf the claiming and transfer of unclaimed money, as described.

This bill would increase the maximum amount from \$1,000 to \$5,000.

~~(2)~~

(3) Existing law authorizes the legislative body of a local agency that has a sinking fund or money in its treasury that is not required for immediate needs to invest in specified investments, including, among other things, negotiable certificates of deposit issued by a state-licensed branch of a foreign bank.

This bill would authorize these specified legislative bodies of a local agency to invest in negotiable certificates of deposit issued by a federally licensed branch of a foreign bank.

~~(3)~~

(4) Existing law requires specified community services districts that had a board of directors that consisted of 3 members to increase the number of members on the board to 5 after January 1, 2006, as specified.

This bill would repeal these provisions.

~~(4)~~

(5) Existing law requires a city or county planning commission, which is authorized by local ordinance or resolution to review and recommend action on a proposed general plan or proposed amendments to the general plan, to hold at least one public hearing before approving a recommendation on the adoption or amendment of a general plan. Existing law requires that notice of the hearing be given in a prescribed manner.

This bill would correct erroneous statutory cross-references pertaining to the notice.

~~(5)~~

(6) The Subdivision Map Act provides that a conveyance of land to, among other entities, a governmental agency, including a fee interest, easement, or license, is not considered a division of land for purposes

of computing the number of parcels, and provides that a parcel map is not required except under specified conditions.

This bill would provide that a conveyance of land to or from a governmental agency, as specified, is not considered a division of land for purposes of computing the number of parcels, ~~unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map.~~

~~(6)~~

(7) The Subdivision Map Act provides that a parcel map is not required for, among other things, land conveyed to or from a governmental agency, public entity, or for land conveyed to a subsidiary of a public utility for conveyance to that public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map.

This bill would specify that these conveyances of land are not considered a division of land for purposes of computing the number of parcels.

(8) The Subdivision Map Act provides that an approved or conditionally approved tentative map expires 24 months after its approval or conditional approval, or after any additional period of time as prescribed by local ordinance, not to exceed an additional 12 months, except that if the subdivider is required to expend \$178,000 or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, each filing of a final map extends the expiration of the approved or conditionally approved tentative map by 36 months from the dates of its expiration, as specified. Existing law, commencing January 1, 2005, annually increases the amount the subdivider is required to expend according to the adjustment for inflation set forth in the statewide cost index for Class B construction, as specified.

This bill would require the subdivider to expend \$236,790 or more to receive the extension of the expiration of the approved or conditionally approved tentative map, and would, commencing January 1, 2012, increase that amount annually according to the adjustment for inflation set forth in the statewide cost index for Class B construction, as specified.

~~(7)~~

(9) The Subdivision Map Act authorizes the Board of Supervisors of the County of Orange and the city council or councils of any city or cities in that county to impose a fee as a condition of approval of a final

map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares.

This bill would correct erroneous statutory cross-references in those provisions.

(10) The County Sanitation District Act prohibits employees of a county sanitation district from engaging in inconsistent or conflicting activities, as specified.

This bill would correct an incorrect cross-reference in these provisions.

~~(8)~~

(11) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities. Existing law finds and declares that blighted areas include housing areas constructed as temporary government-owned wartime housing projects that meet the definition of blight.

This bill would repeal the provision relating to housing areas constructed as temporary government-owned wartime housing projects.

~~(9)~~

(12) The Community Redevelopment Law contains provisions authorizing the establishment of a redevelopment project area located within the boundaries of a military base that has been closed pursuant to the actions of the federal Defense Base Closure and Realignment Commission.

This bill would renumber a provision relating to the base closures and conversions contained in the Community Redevelopment Law and correct an outdated statutory cross-reference.

(13) Existing law requires the owner or operator of an airport to pay all applicable recording fees for the filing of a notice of termination of an aviation easement, as specified.

This bill would make a clarifying change to this provision.

~~(10)~~

(14) Existing law sets forth the procedures under which changes or additions may be made in the work being performed under local construction contracts, county highway contracts, local contracts for works of improvement, and drainage district construction contracts. Under these provisions, for contracts whose original cost is \$250,000 or less, changes to the contract may be made in specified amounts.

Under these provisions, for contracts whose original cost exceeds \$250,000, the extra cost for any change or addition to the work so ordered may not exceed \$25,000 plus 5% of the amount of the original contract cost in excess of \$250,000, and in no event may any such change or alteration exceed \$150,000.

This bill would specify that, for contracts of \$250,000 or less, an additional cost may be approved for a change or addition to the work for a contract, as specified. The bill would, for contracts that have a cost that exceeds \$250,000, increase the maximum permitted amount for a change or alteration of the contract cost from \$150,000 to \$210,000.

~~(11)~~

(15) Existing law authorizes the City of South Lake Tahoe or the City of Huntington Beach to select, for purposes of making certain annual reports to the Controller on financial transactions and on street and road spending, on a one-time basis, a fiscal year that does not end on June 30.

This bill would, for purposes of these reports, also authorize the City of El Segundo, the City of Inglewood, or the City of Long Beach to select a fiscal year that does not end on June 30.

This bill would make legislative findings and declarations as to the necessity of a special statute for these cities.

(16) Existing law authorizes the board of supervisors of a county with a population of 1,000,000 or more person, to impose specified special taxes, including parking taxes, vehicle license fees, and property taxes.

This bill would repeal these provisions.

(17) The Landscaping and Lighting Act of 1972 authorizes specified local agencies to finance specified improvements. Improvements include, among other things, for purposes of the act, the acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.

This bill would also include within the definition of improvements the maintenance and servicing, or both of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group

events, activities, or functions, whether those events, activities, or functions are public or private.

(12)

(18) Existing law, the Parking and Business Improvement Area Law of 1989, authorizes local governmental entities to levy assessments on businesses located and operating in a parking and business improvement area. Existing law requires specified proceedings to establish or modify a parking and business improvement area, including the adoption of a resolution, with prescribed elements, by the governing body and a public hearing.

This bill would make technical, nonsubstantive changes to the provisions that establish the elements to be included in the resolution of the governing body.

(19) Existing law requires the legislative body of a local agency, prior to adopting any new or increased general tax or any new or increased assessment, to conduct at least one public meeting in addition to the noticed public hearing at which the legislative body proposed to enact or increase the general tax or assessment. Existing law requires the legislative body to provide at least 45 days' joint public notice of both the public meeting and the public hearing, and requires the joint notice, with respect to a new or increased assessment on real property, to be accomplished through a mailing, as specified. Existing law also requires the legislative body to include in the notice the estimated amount of the assessment per parcel of land.

This bill would require the legislative body to provide the joint notice of the public meeting and public hearing for proposed new or increased assessment on real property or businesses through a mailing, as specified. The bill would also require the notice to include, in the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of the assessment to be levied against each business.

(20) The Property and Business Improvement District Law of 1994 defines city, for purposes of that act, to mean a city, county, city and county, and a joint powers agency, the public member agencies of which include only cities, counties, or a city and county.

This bill would include the state within the member agencies of the joint powers agency for purposes of the definition of city.

(21) The Property and Business Improvement District Law of 1994 defines property owner, for purposes of that act, to mean any person

shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council.

This bill would also define business owner, for purposes of the act, to mean any person recognized by the city as the owner of a business, and owner, for purposes of the act, to mean either a business owner or a property owner. The bill would also provide, wherever a signature of a business owner is required pursuant to the act, the signature of the authorized agent of the business owner is sufficient. The bill would also make conforming changes and other technical, nonsubstantive changes within the act.

(22) The Property and Business Improvement District Law of 1994 requires, prior to the establishment of a property and business improvement district pursuant to the act, the proponents of the district to submit to the city council a management district plan. The management district plan is required to include, among other things, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.

The bill would also require the management district plan to include, if an assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries, and if the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) This act shall be known and may be cited as
- 2 the Local Government Omnibus Act of 2011.
- 3 (b) The Legislature finds and declares that Californians want
- 4 their governments to run efficiently and economically and that
- 5 public officials should avoid waste and duplication whenever
- 6 possible. The Legislature further finds and declares that it desires
- 7 to control its own costs by reducing the number of separate bills.
- 8 Therefore, it is the intent of the Legislature in enacting this act to
- 9 combine into a single measure several minor, noncontroversial

1 statutory changes relating to the common theme, purpose, and
2 subject of local government.

3 *SEC. 1.5. Chapter 12.5 (commencing with Section 26170) of*
4 *Part 2 of Division 2 of Title 3 of the Government Code is repealed.*

5 SEC. 2. Section 50057 of the Government Code is amended
6 to read:

7 50057. For individual items in the amount of five thousand
8 dollars (\$5,000) or less, the legislative body of any county may,
9 by resolution, authorize the county treasurer to perform on its
10 behalf any act required or authorized to be performed by it under
11 Sections 50050, 50053, and 50055. The resolution shall require
12 that the county auditor be informed of each act performed under
13 the authorization.

14 SEC. 3. Section 53601 of the Government Code, ~~as amended~~
15 ~~by Section 91 of Chapter 328 of the Statutes of 2010~~, is amended
16 to read:

17 53601. This section shall apply to a local agency that is a city,
18 a district, or other local agency that does not pool money in
19 deposits or investments with other local agencies, other than local
20 agencies that have the same governing body. However, Section
21 53635 shall apply to all local agencies that pool money in deposits
22 or investments with other local agencies that have separate
23 governing bodies. The legislative body of a local agency having
24 moneys in a sinking fund or moneys in its treasury not required
25 for the immediate needs of the local agency may invest any portion
26 of the moneys that it deems wise or expedient in those investments
27 set forth below. A local agency purchasing or obtaining any
28 securities prescribed in this section, in a negotiable, bearer,
29 registered, or nonregistered format, shall require delivery of the
30 securities to the local agency, including those purchased for the
31 agency by financial advisers, consultants, or managers using the
32 agency's funds, by book entry, physical delivery, or by third-party
33 custodial agreement. The transfer of securities to the counterparty
34 bank's customer book entry account may be used for book entry
35 delivery.

36 For purposes of this section, "counterparty" means the other
37 party to the transaction. A counterparty bank's trust department
38 or separate safekeeping department may be used for the physical
39 delivery of the security if the security is held in the name of the
40 local agency. Where this section specifies a percentage limitation

for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other ~~United States~~ *states* in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other ~~United States~~ *states*, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial

1 bank. Purchases of bankers' acceptances shall not exceed 180
2 days' maturity or 40 percent of the agency's moneys that may be
3 invested pursuant to this section. However, no more than 30 percent
4 of the agency's moneys may be invested in the bankers'
5 acceptances of any one commercial bank pursuant to this section.

6 This subdivision does not preclude a municipal utility district
7 from investing moneys in its treasury in a manner authorized by
8 the Municipal Utility District Act (Division 6 (commencing with
9 Section 11501) of the Public Utilities Code).

10 (h) Commercial paper of "prime" quality of the highest ranking
11 or of the highest letter and number rating as provided for by a
12 nationally recognized statistical rating organization (NRSRO).
13 The entity that issues the commercial paper shall meet all of the
14 following conditions in either paragraph (1) or (2):

15 (1) The entity meets the following criteria:

16 (A) Is organized and operating in the United States as a general
17 corporation.

18 (B) Has total assets in excess of five hundred million dollars
19 (\$500,000,000).

20 (C) Has debt other than commercial paper, if any, that is rated
21 "A" or higher by an NRSRO.

22 (2) The entity meets the following criteria:

23 (A) Is organized within the United States as a special purpose
24 corporation, trust, or limited liability company.

25 (B) Has programwide credit enhancements including, but not
26 limited to, overcollateralization, letters of credit, or a surety bond.

27 (C) Has commercial paper that is rated "A-1" or higher, or the
28 equivalent, by an NRSRO.

29 Eligible commercial paper shall have a maximum maturity of
30 270 days or less. Local agencies, other than counties or a city and
31 county, may invest no more than 25 percent of their moneys in
32 eligible commercial paper. Local agencies, other than counties or
33 a city and county, may purchase no more than 10 percent of the
34 outstanding commercial paper of any single issuer. Counties or a
35 city and county may invest in commercial paper pursuant to the
36 concentration limits in subdivision (a) of Section 53635.

37 (i) Negotiable certificates of deposit issued by a nationally or
38 state-chartered bank, a savings association or a federal association
39 (as defined by Section 5102 of the Financial Code), a state or
40 federal credit union, or by a federally licensed or state-licensed

1 branch of a foreign bank. Purchases of negotiable certificates of
2 deposit shall not exceed 30 percent of the agency's moneys that
3 may be invested pursuant to this section. For purposes of this
4 section, negotiable certificates of deposit do not come within
5 Article 2 (commencing with Section 53630), except that the amount
6 so invested shall be subject to the limitations of Section 53638.
7 The legislative body of a local agency and the treasurer or other
8 official of the local agency having legal custody of the moneys
9 are prohibited from investing local agency funds, or funds in the
10 custody of the local agency, in negotiable certificates of deposit
11 issued by a state or federal credit union if a member of the
12 legislative body of the local agency, or a person with investment
13 decisionmaking authority in the administrative office manager's
14 office, budget office, auditor-controller's office, or treasurer's
15 office of the local agency also serves on the board of directors, or
16 any committee appointed by the board of directors, or the credit
17 committee or the supervisory committee of the state or federal
18 credit union issuing the negotiable certificates of deposit.

19 (j) (1) Investments in repurchase agreements or reverse
20 repurchase agreements or securities lending agreements of
21 securities authorized by this section, as long as the agreements are
22 subject to this subdivision, including the delivery requirements
23 specified in this section.

24 (2) Investments in repurchase agreements may be made, on an
25 investment authorized in this section, when the term of the
26 agreement does not exceed one year. The market value of securities
27 that underlie a repurchase agreement shall be valued at 102 percent
28 or greater of the funds borrowed against those securities and the
29 value shall be adjusted no less than quarterly. Since the market
30 value of the underlying securities is subject to daily market
31 fluctuations, the investments in repurchase agreements shall be in
32 compliance if the value of the underlying securities is brought back
33 up to 102 percent no later than the next business day.

34 (3) Reverse repurchase agreements or securities lending
35 agreements may be utilized only when all of the following
36 conditions are met:

37 (A) The security to be sold using a reverse repurchase agreement
38 or securities lending agreement has been owned and fully paid for
39 by the local agency for a minimum of 30 days prior to sale.

1 (B) The total of all reverse repurchase agreements and securities
2 lending agreements on investments owned by the local agency
3 does not exceed 20 percent of the base value of the portfolio.

4 (C) The agreement does not exceed a term of 92 days, unless
5 the agreement includes a written codicil guaranteeing a minimum
6 earning or spread for the entire period between the sale of a security
7 using a reverse repurchase agreement or securities lending
8 agreement and the final maturity date of the same security.

9 (D) Funds obtained or funds within the pool of an equivalent
10 amount to that obtained from selling a security to a counterparty
11 using a reverse repurchase agreement or securities lending
12 agreement shall not be used to purchase another security with a
13 maturity longer than 92 days from the initial settlement date of the
14 reverse repurchase agreement or securities lending agreement,
15 unless the reverse repurchase agreement or securities lending
16 agreement includes a written codicil guaranteeing a minimum
17 earning or spread for the entire period between the sale of a security
18 using a reverse repurchase agreement or securities lending
19 agreement and the final maturity date of the same security.

20 (4) (A) Investments in reverse repurchase agreements, securities
21 lending agreements, or similar investments in which the local
22 agency sells securities prior to purchase with a simultaneous
23 agreement to repurchase the security may be made only upon prior
24 approval of the governing body of the local agency and shall be
25 made only with primary dealers of the Federal Reserve Bank of
26 New York or with a nationally or state-chartered bank that has or
27 has had a significant banking relationship with a local agency.

28 (B) For purposes of this chapter, “significant banking
29 relationship” means any of the following activities of a bank:

30 (i) Involvement in the creation, sale, purchase, or retirement of
31 a local agency’s bonds, warrants, notes, or other evidence of
32 indebtedness.

33 (ii) Financing of a local agency’s activities.

34 (iii) Acceptance of a local agency’s securities or funds as
35 deposits.

36 (5) (A) “Repurchase agreement” means a purchase of securities
37 by the local agency pursuant to an agreement by which the
38 counterparty seller will repurchase the securities on or before a
39 specified date and for a specified amount and the counterparty will
40 deliver the underlying securities to the local agency by book entry,

1 physical delivery, or by third-party custodial agreement. The
2 transfer of underlying securities to the counterparty bank's
3 customer book-entry account may be used for book-entry delivery.

4 (B) "Securities," for purposes of repurchase under this
5 subdivision, means securities of the same issuer, description, issue
6 date, and maturity.

7 (C) "Reverse repurchase agreement" means a sale of securities
8 by the local agency pursuant to an agreement by which the local
9 agency will repurchase the securities on or before a specified date
10 and includes other comparable agreements.

11 (D) "Securities lending agreement" means an agreement under
12 which a local agency agrees to transfer securities to a borrower
13 who, in turn, agrees to provide collateral to the local agency.
14 During the term of the agreement, both the securities and the
15 collateral are held by a third party. At the conclusion of the
16 agreement, the securities are transferred back to the local agency
17 in return for the collateral.

18 (E) For purposes of this section, the base value of the local
19 agency's pool portfolio shall be that dollar amount obtained by
20 totaling all cash balances placed in the pool by all pool participants,
21 excluding any amounts obtained through selling securities by way
22 of reverse repurchase agreements, securities lending agreements,
23 or other similar borrowing methods.

24 (F) For purposes of this section, the spread is the difference
25 between the cost of funds obtained using the reverse repurchase
26 agreement and the earnings obtained on the reinvestment of the
27 funds.

28 (k) Medium-term notes, defined as all corporate and depository
29 institution debt securities with a maximum remaining maturity of
30 five years or less, issued by corporations organized and operating
31 within the United States or by depository institutions licensed by
32 the United States or any state and operating within the United
33 States. Notes eligible for investment under this subdivision shall
34 be rated "A" or better by an NRSRO. Purchases of medium-term
35 notes shall not include other instruments authorized by this section
36 and may not exceed 30 percent of the agency's moneys that may
37 be invested pursuant to this section.

38 (l) (1) Shares of beneficial interest issued by diversified
39 management companies that invest in the securities and obligations
40 as authorized by subdivisions (a) to (k), inclusive, and subdivisions

(m) to (o), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be

1 invested in shares of beneficial interest of any one mutual fund
2 pursuant to paragraph (1).

3 (m) Moneys held by a trustee or fiscal agent and pledged to the
4 payment or security of bonds or other indebtedness, or obligations
5 under a lease, installment sale, or other agreement of a local
6 agency, or certificates of participation in those bonds, indebtedness,
7 or lease installment sale, or other agreements, may be invested in
8 accordance with the statutory provisions governing the issuance
9 of those bonds, indebtedness, or lease installment sale, or other
10 agreement, or to the extent not inconsistent therewith or if there
11 are no specific statutory provisions, in accordance with the
12 ordinance, resolution, indenture, or agreement of the local agency
13 providing for the issuance.

14 (n) Notes, bonds, or other obligations that are at all times secured
15 by a valid first priority security interest in securities of the types
16 listed by Section 53651 as eligible securities for the purpose of
17 securing local agency deposits having a market value at least equal
18 to that required by Section 53652 for the purpose of securing local
19 agency deposits. The securities serving as collateral shall be placed
20 by delivery or book entry into the custody of a trust company or
21 the trust department of a bank that is not affiliated with the issuer
22 of the secured obligation, and the security interest shall be perfected
23 in accordance with the requirements of the Uniform Commercial
24 Code or federal regulations applicable to the types of securities in
25 which the security interest is granted.

26 (o) A mortgage passthrough security, collateralized mortgage
27 obligation, mortgage-backed or other pay-through bond, equipment
28 lease-backed certificate, consumer receivable passthrough
29 certificate, or consumer receivable-backed bond of a maximum of
30 five years' maturity. Securities eligible for investment under this
31 subdivision shall be issued by an issuer having an "A" or higher
32 rating for the issuer's debt as provided by an NRSRO and rated in
33 a rating category of "AA" or its equivalent or better by an NRSRO.
34 Purchase of securities authorized by this subdivision may not
35 exceed 20 percent of the agency's surplus moneys that may be
36 invested pursuant to this section.

37 (p) Shares of beneficial interest issued by a joint powers
38 authority organized pursuant to Section 6509.7 that invests in the
39 securities and obligations authorized in subdivisions (a) to (o),
40 inclusive. Each share shall represent an equal proportional interest

1 in the underlying pool of securities owned by the joint powers
2 authority. To be eligible under this section, the joint powers
3 authority issuing the shares shall have retained an investment
4 adviser that meets all of the following criteria:

5 (1) The adviser is registered or exempt from registration with
6 the Securities and Exchange Commission.

7 (2) The adviser has not less than five years of experience
8 investing in the securities and obligations authorized in
9 subdivisions (a) to (o), inclusive.

10 (3) The adviser has assets under management in excess of five
11 hundred million dollars (\$500,000,000).

12 *SEC. 3.5. Section 54954.6 of the Government Code is amended*
13 *to read:*

14 54954.6. (a) (1) Before adopting any new or increased general
15 tax or any new or increased assessment, the legislative body of a
16 local agency shall conduct at least one public meeting at which
17 local officials shall allow public testimony regarding the proposed
18 new or increased general tax or new or increased assessment in
19 addition to the noticed public hearing at which the legislative body
20 proposes to enact or increase the general tax or assessment.

21 For purposes of this section, the term “new or increased
22 assessment” does not include any of the following:

23 (A) A fee that does not exceed the reasonable cost of providing
24 the services, facilities, or regulatory activity for which the fee is
25 charged.

26 (B) A service charge, rate, or charge, unless a special district’s
27 principal act requires the service charge, rate, or charge to conform
28 to the requirements of this section.

29 (C) An ongoing annual assessment if it is imposed at the same
30 or lower amount as any previous year.

31 (D) An assessment that does not exceed an assessment formula
32 or range of assessments previously specified in the notice given
33 to the public pursuant to subparagraph (G) of paragraph (2) of
34 subdivision (c) and that was previously adopted by the agency or
35 approved by the voters in the area where the assessment is imposed.

36 (E) Standby or immediate availability charges.

37 (2) The legislative body shall provide at least 45 days’ public
38 notice of the public hearing at which the legislative body proposes
39 to enact or increase the general tax or assessment. The legislative
40 body shall provide notice for the public meeting at the same time

1 and in the same document as the notice for the public hearing, but
2 the meeting shall occur prior to the hearing.

3 (b) (1) The joint notice of both the public meeting and the public
4 hearing required by subdivision (a) with respect to a proposal for
5 a new or increased general tax shall be accomplished by placing
6 a display advertisement of at least one-eighth page in a newspaper
7 of general circulation for three weeks pursuant to Section 6063
8 and by a first-class mailing to those interested parties who have
9 filed a written request with the local agency for mailed notice of
10 public meetings or hearings on new or increased general taxes.
11 The public meeting pursuant to subdivision (a) shall take place no
12 earlier than 10 days after the first publication of the joint notice
13 pursuant to this subdivision. The public hearing shall take place
14 no earlier than seven days after the public meeting pursuant to this
15 subdivision. Notwithstanding paragraph (2) of subdivision (a), the
16 joint notice need not include notice of the public meeting after the
17 meeting has taken place. The public hearing pursuant to subdivision
18 (a) shall take place no earlier than 45 days after the first publication
19 of the joint notice pursuant to this subdivision. Any written request
20 for mailed notices shall be effective for one year from the date on
21 which it is filed unless a renewal request is filed. Renewal requests
22 for mailed notices shall be filed on or before April 1 of each year.
23 The legislative body may establish a reasonable annual charge for
24 sending notices based on the estimated cost of providing the
25 service.

26 (2) The notice required by paragraph (1) of this subdivision
27 shall include, but not be limited to, the following:

28 (A) The amount or rate of the tax. If the tax is proposed to be
29 increased from any previous year, the joint notice shall separately
30 state both the existing tax rate and the proposed tax rate increase.

31 (B) The activity to be taxed.

32 (C) The estimated amount of revenue to be raised by the tax
33 annually.

34 (D) The method and frequency for collecting the tax.

35 (E) The dates, times, and locations of the public meeting and
36 hearing described in subdivision (a).

37 (F) The phone number and address of an individual, office, or
38 organization that interested persons may contact to receive
39 additional information about the tax.

(c) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property *or businesses* shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property owners *or business owners* proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll ~~or~~, the State Board of Equalization assessment roll, *or the local agency's records pertaining to business ownership*, as the case may be.

(2) The joint notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) ~~The~~ *In the case of an assessment proposed to be levied on property, the estimated amount of the assessment per parcel. In the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of assessment to be levied against each business.* If the assessment is proposed to be increased from any previous year, the joint notice shall separately state both the amount of the existing assessment and the proposed assessment increase.

(B) A general description of the purpose or improvements that the assessment will fund.

(C) The address to which property owners may mail a protest against the assessment.

(D) The phone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the assessment.

(E) A statement that a majority protest will cause the assessment to be abandoned if the assessment act used to levy the assessment so provides. Notice shall also state the percentage of protests required to trigger an election, if applicable.

1 (F) The dates, times, and locations of the public meeting and
2 hearing described in subdivision (a).

3 (G) A proposed assessment formula or range as described in
4 subparagraph (D) of paragraph (1) of subdivision (a) if applicable
5 and that is noticed pursuant to this section.

6 (3) Notwithstanding paragraph (1), in the case of an assessment
7 that is proposed exclusively for operation and maintenance
8 expenses imposed throughout the entire local agency, or
9 exclusively for operation and maintenance assessments proposed
10 to be levied on 50,000 parcels or more, notice may be provided
11 pursuant to this subdivision or pursuant to paragraph (1) of
12 subdivision (b) and shall include the estimated amount of the
13 assessment of various types, amounts, or uses of property and the
14 information required by subparagraphs (B) to (G), inclusive, of
15 paragraph (2) of subdivision (c).

16 (4) Notwithstanding paragraph (1), in the case of an assessment
17 proposed to be levied pursuant to Part 2 (commencing with Section
18 22500) of Division 2 of the Streets and Highways Code by a
19 regional park district, regional park and open-space district, or
20 regional open-space district formed pursuant to Article 3
21 (commencing with Section 5500) of Chapter 3 of Division 5 of,
22 or pursuant to Division 26 (commencing with Section 35100) of,
23 the Public Resources Code, notice may be provided pursuant to
24 paragraph (1) of subdivision (b).

25 (d) The notice requirements imposed by this section shall be
26 construed as additional to, and not to supersede, existing provisions
27 of law, and shall be applied concurrently with the existing
28 provisions so as to not delay or prolong the governmental
29 decisionmaking process.

30 (e) This section shall not apply to any new or increased general
31 tax or any new or increased assessment that requires an election
32 of either of the following:

33 (1) The property owners subject to the assessment.

34 (2) The voters within the local agency imposing the tax or
35 assessment.

36 (f) Nothing in this section shall prohibit a local agency from
37 holding a consolidated meeting or hearing at which the legislative
38 body discusses multiple tax or assessment proposals.

39 (g) The local agency may recover the reasonable costs of public
40 meetings, public hearings, and notice required by this section from

1 the proceeds of the tax or assessment. The costs recovered for
2 these purposes, whether recovered pursuant to this subdivision or
3 any other provision of law, shall not exceed the reasonable costs
4 of the public meetings, public hearings, and notice.

5 (h) Any new or increased assessment that is subject to the notice
6 and hearing provisions of Article XIII C or XIII D of the California
7 Constitution is not subject to the notice and hearing requirements
8 of this section.

9 SEC. 4. Section 61041 of the Government Code is repealed.

10 SEC. 5. Section 65353 of the Government Code is amended
11 to read:

12 65353. (a) When the city or county has a planning commission
13 authorized by local ordinance or resolution to review and
14 recommend action on a proposed general plan or proposed
15 amendments to the general plan, the commission shall hold at least
16 one public hearing before approving a recommendation on the
17 adoption or amendment of a general plan. Notice of the hearing
18 shall be given pursuant to Section 65090.

19 (b) If a proposed general plan or amendments to a general plan
20 would affect the permitted uses or intensity of uses of real property,
21 notice of the hearing shall also be given pursuant to paragraphs
22 (1) and (3) of subdivision (a) of Section 65091.

23 (c) If the number of owners to whom notice would be mailed
24 or delivered pursuant to subdivision (b) is greater than 1,000, a
25 local agency may, in lieu of mailed or delivered notice, provide
26 notice by publishing notice pursuant to paragraph (4) of subdivision
27 (a) of Section 65091.

28 (d) If the hearings held under this section are held at the same
29 time as hearings under Section 65854, the notice of the hearing
30 may be combined.

31 SEC. 6. Section 66426.5 of the Government Code is amended
32 to read:

33 66426.5. Any conveyance of land to or from a governmental
34 agency, public entity, public utility or subsidiary of a public utility
35 for conveyance to that public utility, for rights-of-way shall not
36 be considered a division of land for purposes of computing the
37 number of parcels, ~~unless a showing is made in individual cases,~~
38 ~~upon substantial evidence, that public policy necessitates a parcel~~
39 ~~map of parcels.~~ For purposes of this section, any conveyance of

1 land to or from a governmental agency shall include a fee interest,
2 a leasehold interest, an easement, or a license.

3 SEC. 7. Section 66428 of the Government Code is amended
4 to read:

5 66428. (a) Local ordinances may require a tentative map where
6 a parcel map is required by this chapter. A parcel map shall be
7 required for subdivisions as to which a final or parcel map is not
8 otherwise required by this chapter, unless the preparation of the
9 parcel map is waived by local ordinance as provided in this section.
10 A parcel map shall not be required for either of the following:

11 (1) Subdivisions of a portion of the operating right-of-way of
12 a railroad corporation, as defined by Section 230 of the Public
13 Utilities Code, that are created by short-term leases (terminable
14 by either party on not more than 30 days' notice in writing).

15 (2) Any conveyance of land to or from a governmental agency,
16 public entity, public utility, or for land conveyed to a subsidiary
17 of a public utility for conveyance to that public utility for
18 rights-of-way shall not be considered a division of land for
19 purposes of computing the number of parcels, ~~unless a showing~~
20 ~~is made in individual cases, upon substantial evidence, that public~~
21 ~~policy necessitates a parcel map.~~ For purposes of this subdivision,
22 and any conveyance of land to or from a governmental agency
23 shall include a fee interest, a leasehold interest, an easement, or a
24 license.

25 (b) A local agency shall, by ordinance, provide a procedure for
26 waiving the requirement for a parcel map, imposed by this division,
27 including the requirements for a parcel map imposed by Section
28 66426. The procedure may include provisions for waiving the
29 requirement for a tentative and final map for the construction of
30 a condominium project on a single parcel. The ordinance shall
31 require a finding by the legislative body or advisory agency, that
32 the proposed division of land complies with requirements
33 established by this division or local ordinance enacted pursuant
34 thereto as to area, improvement and design, floodwater drainage
35 control, appropriate improved public roads, sanitary disposal
36 facilities, water supply availability, environmental protection, and
37 other requirements of this division or local ordinance enacted
38 pursuant thereto. In any case, where the requirement for a parcel
39 map is waived by local ordinance pursuant to this section, a
40 tentative map may be required by local ordinance.

(c) If a local ordinance does not require a tentative map where a parcel map is required by this division, the subdivider shall have the option of submitting a tentative map, or if he or she desires to obtain the rights conferred by Chapter 4.5 (commencing with Section 66498.1), a vesting tentative map.

SEC. 7.5. Section 66452.6 of the Government Code is amended to read:

66452.6. (a) (1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 12 months. However, if the subdivider is required to expend ~~one hundred seventy-eight thousand dollars (\$178,000)~~ *two hundred thirty-six thousand seven hundred ninety dollars (\$236,790)* or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way which abut the boundary of the property to be subdivided and which are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 36 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. However, a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement. The number of phased final maps that may be filed shall be determined by the advisory agency at the time of the approval or conditional approval of the tentative map.

(2) Commencing January 1, ~~2005~~ *2012*, and each calendar year thereafter, the amount of ~~one hundred seventy-eight thousand dollars (\$178,000)~~ *two hundred thirty-six thousand seven hundred ninety dollars (\$236,790)* shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective

1 date of each annual adjustment shall be March 1. The adjusted
2 amount shall apply to tentative and vesting tentative maps whose
3 applications were received after the effective date of the
4 adjustment.

5 (3) "Public improvements," as used in this subdivision, include
6 traffic controls, streets, roads, highways, freeways, bridges,
7 overcrossings, street interchanges, flood control or storm drain
8 facilities, sewer facilities, water facilities, and lighting facilities.

9 (b) (1) The period of time specified in subdivision (a), including
10 any extension thereof granted pursuant to subdivision (e), shall
11 not include any period of time during which a development
12 moratorium, imposed after approval of the tentative map, is in
13 existence. However, the length of the moratorium shall not exceed
14 five years.

15 (2) The length of time specified in paragraph (1) shall be
16 extended for up to three years, but in no event beyond January 1,
17 1992, during the pendency of any lawsuit in which the subdivider
18 asserts, and the local agency which approved or conditionally
19 approved the tentative map denies, the existence or application of
20 a development moratorium to the tentative map.

21 (3) Once a development moratorium is terminated, the map
22 shall be valid for the same period of time as was left to run on the
23 map at the time that the moratorium was imposed. However, if the
24 remaining time is less than 120 days, the map shall be valid for
25 120 days following the termination of the moratorium.

26 (c) The period of time specified in subdivision (a), including
27 any extension thereof granted pursuant to subdivision (e), shall
28 not include the period of time during which a lawsuit involving
29 the approval or conditional approval of the tentative map is or was
30 pending in a court of competent jurisdiction, if the stay of the time
31 period is approved by the local agency pursuant to this section.
32 After service of the initial petition or complaint in the lawsuit upon
33 the local agency, the subdivider may apply to the local agency for
34 a stay pursuant to the local agency's adopted procedures. Within
35 40 days after receiving the application, the local agency shall either
36 stay the time period for up to five years or deny the requested stay.
37 The local agency may, by ordinance, establish procedures for
38 reviewing the requests, including, but not limited to, notice and
39 hearing requirements, appeal procedures, and other administrative
40 requirements.

(d) The expiration of the approved or conditionally approved tentative map shall terminate all proceedings and no final map or parcel map of all or any portion of the real property included within the tentative map shall be filed with the legislative body without first processing a new tentative map. Once a timely filing is made, subsequent actions of the local agency, including, but not limited to, processing, approving, and recording, may lawfully occur after the date of expiration of the tentative map. Delivery to the county surveyor or city engineer shall be deemed a timely filing for purposes of this section.

(e) Upon application of the subdivider filed prior to the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or periods not exceeding a total of six years. The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a). Prior to the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider's application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.

(f) For purposes of this section, a development moratorium includes a water or sewer moratorium, or a water and sewer moratorium, as well as other actions of public agencies which regulate land use, development, or the provision of services to the land, including the public agency with the authority to approve or conditionally approve the tentative map, which thereafter prevents, prohibits, or delays the approval of a final or parcel map. A development moratorium shall also be deemed to exist for purposes of this section for any period of time during which a condition imposed by the city or county could not be satisfied because of either of the following:

(1) The condition was one that, by its nature, necessitated action by the city or county, and the city or county either did not take the necessary action or by its own action or inaction was prevented or

1 delayed in taking the necessary action prior to expiration of the
2 tentative map.

3 (2) The condition necessitates acquisition of real property or
4 any interest in real property from a public agency, other than the
5 city or county that approved or conditionally approved the tentative
6 map, and that other public agency fails or refuses to convey the
7 property interest necessary to satisfy the condition. However,
8 nothing in this subdivision shall be construed to require any public
9 agency to convey any interest in real property owned by it. A
10 development moratorium specified in this paragraph shall be
11 deemed to have been imposed either on the date of approval or
12 conditional approval of the tentative map, if evidence was included
13 in the public record that the public agency which owns or controls
14 the real property or any interest therein may refuse to convey that
15 property or interest, or on the date that the public agency which
16 owns or controls the real property or any interest therein receives
17 an offer by the subdivider to purchase that property or interest for
18 fair market value, whichever is later. A development moratorium
19 specified in this paragraph shall extend the tentative map up to the
20 maximum period as set forth in subdivision (b), but not later than
21 January 1, 1992, so long as the public agency which owns or
22 controls the real property or any interest therein fails or refuses to
23 convey the necessary property interest, regardless of the reason
24 for the failure or refusal, except that the development moratorium
25 shall be deemed to terminate 60 days after the public agency has
26 officially made, and communicated to the subdivider, a written
27 offer or commitment binding on the agency to convey the necessary
28 property interest for a fair market value, paid in a reasonable time
29 and manner.

30 SEC. 8. Section 66484.3 of the Government Code is amended
31 to read:

32 66484.3. (a) Notwithstanding Section 66007, the Board of
33 Supervisors of the County of Orange and the city council or
34 councils of any city or cities in that county may, by ordinance,
35 require the payment of a fee as a condition of approval of a final
36 map or as a condition of issuing a building permit for purposes of
37 defraying the actual or estimated cost of constructing bridges over
38 waterways, railways, freeways, and canyons, or constructing major
39 thoroughfares.

1 (b) The local ordinance may require payment of fees pursuant
2 to this section if:

3 (1) The ordinance refers to the circulation element of the general
4 plan and, in the case of bridges, to the transportation provisions
5 or flood control provisions of the general plan which identify
6 railways, freeways, streams, or canyons for which bridge crossings
7 are required on the general plan or local roads, and in the case of
8 major thoroughfares, to the provisions of the circulation element
9 which identify those major thoroughfares whose primary purpose
10 is to carry through traffic and provide a network connecting to or
11 which is part of the state highway system, and the circulation
12 element, transportation provisions, or flood control provisions
13 have been adopted by the local agency 30 days prior to the filing
14 of a map or application for a building permit. Bridges which are
15 part of a major thoroughfare need not be separately identified in
16 the transportation or flood control provisions of the general plan.

17 (2) The ordinance provides that there will be a public hearing
18 held by the governing body for each area benefited. Notice shall
19 be given pursuant to Section 65905. In addition to the requirements
20 of Section 65905, the notice shall contain preliminary information
21 related to the boundaries of the area of benefit, estimated cost, and
22 the method of fee apportionment. The area of benefit may include
23 land or improvements in addition to the land or improvements
24 which are the subject of any map or building permit application
25 considered at the proceedings.

26 (3) The ordinance provides that at the public hearing, the
27 boundaries of the area of benefit, the costs, whether actual or
28 estimated, and a fair method of allocation of costs to the area of
29 benefit and fee apportionment are established. The method of fee
30 apportionment, in the case of major thoroughfares, shall not provide
31 for higher fees on land which abuts the proposed improvement
32 except where the abutting property is provided direct usable access
33 to the major thoroughfare. A description of the boundaries of the
34 area of benefit, the costs, whether actual or estimated, and the
35 method of fee apportionment established at the hearing shall be
36 incorporated in a resolution of the governing body, a certified copy
37 of which shall be recorded by the governing body conducting the
38 hearing with the recorder of the County of Orange. The resolution
39 may subsequently be modified in any respect by the governing
40 body. Modifications shall be adopted in the same manner as the

1 original resolution, except that the resolution of a city or county
2 which has entered into a joint exercise of powers agreement
3 pursuant to subdivision (f), relating to constructing bridges over
4 waterways, railways, freeways, and canyons or constructing major
5 thoroughfares by the joint powers agency, may be modified by the
6 joint powers agency following public notice and a public hearing,
7 if the joint powers agency has complied with all applicable laws,
8 including Chapter 5 (commencing with Section 66000) of Division
9 1. Any modification shall be subject to the protest procedures
10 prescribed by paragraph (6). The resolution may provide for
11 automatic periodic adjustment of fees based upon the California
12 Construction Cost Index prepared and published by the Department
13 of Transportation, without further action of the governing body,
14 including, but not limited to, public notice or hearing. The
15 apportioned fees shall be applicable to all property within the area
16 of benefit and shall be payable as a condition of approval of a final
17 map or as a condition of issuing a building permit for any of the
18 property or portions of the property. Where the area of benefit
19 includes lands not subject to the payment of fees pursuant to this
20 section, the governing body shall make provision for payment of
21 the share of improvement costs apportioned to those lands from
22 other sources, but those sources need not be identified at the time
23 of the adoption of the resolution.

24 (4) The ordinance provides that payment of fees shall not be
25 required unless the major thoroughfares are in addition to, or a
26 reconstruction or widening of, any existing major thoroughfares
27 serving the area at the time of the adoption of the boundaries of
28 the area of benefit.

29 (5) The ordinance provides that payment of fees shall not be
30 required unless the planned bridge facility is an original bridge
31 serving the area or an addition to any existing bridge facility
32 serving the area at the time of the adoption of the boundaries of
33 the area of benefit. Fees imposed pursuant to this section shall not
34 be expended to reimburse the cost of existing bridge facility
35 construction, unless these costs are incurred in connection with
36 the construction of an addition to an existing bridge for which fees
37 may be required.

38 (6) The ordinance provides that if, within the time when protests
39 may be filed under its provisions, there is a written protest, filed
40 with the clerk of the legislative body, by the owners of more than

1 one-half of the area of the property to be benefited by the
2 improvement, and sufficient protests are not withdrawn so as to
3 reduce the area represented to less than one-half of that to be
4 benefited, then the proposed proceedings shall be abandoned, and
5 the legislative body shall not, for one year from the filing of that
6 written protest, commence or carry on any proceedings for the
7 same improvement or acquisition under this section, unless the
8 protests are overruled by an affirmative vote of four-fifths of the
9 legislative body.

10 Nothing in this section shall preclude the processing and
11 recordation of maps in accordance with other provisions of this
12 division if proceedings are abandoned.

13 Any protests may be withdrawn in writing by the owner who
14 filed the protest, at any time prior to the conclusion of a public
15 hearing held pursuant to the ordinance.

16 If any majority protest is directed against only a portion of the
17 improvement then all further proceedings under the provisions of
18 this section to construct that portion of the improvement so
19 protested against shall be barred for a period of one year, but the
20 legislative body shall not be barred from commencing new
21 proceedings not including any part of the improvement or
22 acquisition so protested against. Nothing in this section shall
23 prohibit the legislative body, within the one-year period, from
24 commencing and carrying on new proceedings for the construction
25 of a portion of the improvement so protested against if it finds, by
26 the affirmative vote of four-fifths of its members, that the owners
27 of more than one-half of the area of the property to be benefited
28 are in favor of going forward with that portion of the improvement
29 or acquisition.

30 If the provisions of this paragraph, or provisions implementing
31 this paragraph contained in any ordinance adopted pursuant to this
32 section, are held invalid, that invalidity shall not affect other
33 provisions of this section or of the ordinance adopted pursuant
34 thereto, which can be given effect without the invalid provision,
35 and to this end the provisions of this section and of an ordinance
36 adopted pursuant thereto are severable.

37 (c) Fees paid pursuant to an ordinance adopted pursuant to this
38 section shall be deposited in a planned bridge facility or major
39 thoroughfare fund. A fund shall be established for each planned
40 bridge facility project or each planned major thoroughfare project.

1 If the benefit area is one in which more than one bridge or major
2 thoroughfare is required to be constructed, a fund may be so
3 established covering all of the bridge or major thoroughfare
4 projects in the benefit area. Except as otherwise provided in
5 subdivision (g), moneys in the fund shall be expended solely for
6 the construction or reimbursement for construction of the
7 improvement serving the area to be benefited and from which the
8 fees comprising the fund were collected, or to reimburse the county
9 or a city for the cost of constructing the improvement.

10 (d) An ordinance adopted pursuant to this section may provide
11 for the acceptance of considerations in lieu of the payment of fees.

12 (e) The county or a city imposing fees pursuant to this section
13 may advance money from its general fund or road fund to pay the
14 cost of constructing the improvements and may reimburse the
15 general fund or road fund from planned bridge facilities or major
16 thoroughfares funds established to finance the construction of the
17 improvements.

18 (f) The county or a city imposing fees pursuant to this section
19 may incur an interest-bearing indebtedness for the construction of
20 bridge facilities or major thoroughfares. The sole security for
21 repayment of the indebtedness shall be moneys in planned bridge
22 facilities or major thoroughfares funds. A city or county imposing
23 fees pursuant to this section may enter into joint exercise of powers
24 agreements with other local agencies imposing fees pursuant to
25 this section, for the purpose of, among others, jointly exercising
26 as a duly authorized original power established by this section, in
27 addition to those through a joint exercise of powers agreement,
28 those powers authorized in Chapter 5 (commencing with Section
29 31100) of Division 17 of the Streets and Highways Code for the
30 purpose of constructing bridge facilities and major thoroughfares
31 in lieu of a tunnel and appurtenant facilities, and, notwithstanding
32 Section 31200 of the Streets and Highways Code, may acquire by
33 dedication, gift, purchase, or eminent domain, any franchise, rights,
34 privileges, easements, or other interest in property, either real or
35 personal, necessary therefor on segments of the state highway
36 system, including, but not limited to, those segments of the state
37 highway system eligible for federal participation pursuant to Title
38 23 of the United States Code.

39 An entity constructing bridge facilities and major thoroughfares
40 pursuant to this section shall design and construct the bridge

1 facilities and major thoroughfares to the standards and
2 specifications of the Department of Transportation then in effect,
3 and may, at any time, transfer all or a portion of the bridge facilities
4 and major thoroughfares to the state subject to the terms and
5 conditions as shall be satisfactory to the Director of the Department
6 of Transportation. Any of these bridge facilities and major
7 thoroughfares shall be designated as a portion of the state highway
8 system prior to its transfer. The participants in a joint exercise of
9 powers agreement may also exercise as a duly authorized original
10 power established by this section the power to establish and collect
11 toll charges only for paying for the costs of construction of the
12 major thoroughfare for which the toll is charged and for the costs
13 of collecting the tolls, except that a joint powers agency, which is
14 the lending agency, may, notwithstanding subdivision (c), make
15 toll revenues and fees imposed pursuant to this section available
16 to another joint powers agency, which is the borrowing agency,
17 established for the purpose of designing, financing, and
18 constructing coordinated and interrelated major thoroughfares, in
19 the form of a subordinated loan, to pay for the cost of construction
20 and toll collection of major thoroughfares other than the major
21 thoroughfares for which the toll or fee is charged, if the lending
22 agency has complied with all applicable laws, including Chapter
23 5 (commencing with Section 66000) of Division 1, and if the
24 borrowing agency is required to pay interest on the loan to the
25 lending agency at a rate equal to the interest rate charged on funds
26 loaned from the Pooled Money Investment Account. Prior to
27 executing the loan, the lending agency shall make all of the
28 following findings:

29 (1) The major thoroughfare for which the toll or fee is charged
30 will benefit from the construction of the major thoroughfare to be
31 constructed by the borrowing agency or will benefit financially
32 by a sharing of revenues with the borrowing agency.

33 (2) The lending agency will possess adequate financial resources
34 to fund all costs of construction of existing and future projects that
35 it plans to undertake prior to the final maturity of the loan, after
36 funding the loan, and taking into consideration its then existing
37 funds, its present and future obligations, and the revenues and fees
38 it expects to receive.

39 (3) The funding of the loan will not materially impair its
40 financial condition or operations during the term of the loan.

Major thoroughfares from which tolls are charged shall utilize the toll collection equipment most capable of moving vehicles expeditiously and efficiently, and which is best suited for that purpose, as determined by the participants in the joint exercise of powers agreement. However, in no event shall the powers authorized in Chapter 5 (commencing with Section 31100) of Division 17 of the Streets and Highways Code be exercised unless a resolution is first adopted by the legislative body of the agency finding that adequate funding for the portion of the cost of constructing those bridge facilities and major thoroughfares not funded by the development fees collected by the agency is not available from any federal, state, or other source. Any major thoroughfare constructed and operated as a toll road pursuant to this section shall only be constructed parallel to other public thoroughfares and highways.

(g) The term “construction,” as used in this section, includes design, acquisition of rights-of-way, and actual construction, including, but not limited to, all direct and indirect environmental, engineering, accounting, legal, administration of construction contracts, and other services necessary therefor. The term “construction” also includes reasonable general agency administrative expenses, not exceeding three hundred thousand dollars (\$300,000) in any calendar year after January 1, 1986, as adjusted annually for any increase or decrease in the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor for all Urban Consumers, Los Angeles-Long Beach-Anaheim, California (1967=100), as published by the United States Department of Commerce, by each agency created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 for the purpose of constructing bridges and major thoroughfares. “General agency administrative expenses” means those office, personnel, and other customary and normal expenses associated with the direct management and administration of the agency, but not including costs of construction.

(h) Fees paid pursuant to an ordinance adopted pursuant to this section may be utilized to defray all direct and indirect financing costs related to the construction of the bridges and major thoroughfares by the joint powers agency. Because the financing costs of bridges and major thoroughfares for which a toll charge shall be established or collected represent a necessary element of

1 the total cost of those bridges and major thoroughfares, the joint
2 powers agency constructing those facilities may include a charge
3 for financing costs in the calculation of the fee rate. The charge
4 shall be based on the estimated financing cost of any eligible
5 portion of the bridges and major thoroughfares for which tolls shall
6 be collected. The eligible portion shall be any or all portions of
7 the major thoroughfare for which a viable financial plan has been
8 adopted by the joint powers agency on the basis of revenues
9 reasonably expected by the joint powers agency to be available to
10 the thoroughfare, after consultation with representatives of the fee
11 payers. For purposes of calculating the charge, financing costs
12 shall include only reasonable allowances for payments and charges
13 for principal, interest, and premium on indebtedness, letter of credit
14 fees and charges, remarketing fees and charges, underwriters'
15 discount, and other costs of issuance, less net earnings on bridge
16 and major thoroughfare funds by the joint powers agency prior to
17 the opening of the facility to traffic after giving effect to any
18 payments from the fund to preserve the federal income tax
19 exemption on the indebtedness. For purposes of calculating the
20 charge for financing costs in the calculation of the fee rate only,
21 financing costs shall not include any allowance for the cost of any
22 interest paid on indebtedness with regard to each eligible portion
23 after the estimated opening of the portion to traffic as established
24 by the joint powers agency. Any and all challenges to any financial
25 plan or financing costs adopted or calculated pursuant to this
26 section shall be governed by subdivision (k).

27 (i) Nothing in this section shall be construed to preclude the
28 County of Orange or any city within that county from providing
29 funds for the construction of bridge facilities or major
30 thoroughfares to defray costs not allocated to the area of benefit.

31 (j) Any city within the County of Orange may require the
32 payment of fees in accordance with this section as to any property
33 in an area of benefit within the city's boundaries, for facilities
34 shown on its general plan or the county's general plan, whether
35 the facilities are situated within or outside the boundaries of the
36 city, and the county may expend fees for facilities or portions
37 thereof located within cities in the county.

38 (k) The validity of any fee required pursuant to this section shall
39 not be contested in any action or proceeding unless commenced
40 within 60 days after recordation of the resolution described in

paragraph (3) of subdivision (b). The provisions of Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure shall be applicable to any such action or proceeding. This subdivision shall also apply to modifications of fee programs.

(l) If the County of Orange and any city within that county have entered into a joint powers agreement for the purpose of constructing the bridges and major thoroughfares referred to in Sections 50029 and 66484, and if a proposed change of organization or reorganization includes any territory of an area of benefit established pursuant to Sections 50029 and 66484, within a successor local agency, the local agency shall not take any action that would impair, delay, frustrate, obstruct, or otherwise impede the construction of the bridges and major thoroughfares referred to in this section.

(m) Nothing in this section prohibits the succession of all powers, obligations, liabilities, and duties of any joint powers agency created pursuant to subdivision (l) to an entity with comprehensive countywide transportation planning and operating authority which is statutorily created in the County of Orange and which is statutorily authorized to assume those powers, obligations, liabilities, and duties.

SEC. 8.5. *Section 4768 of the Health and Safety Code is amended to read:*

4768. Section ~~19251~~ 19990 of the Government Code shall apply to employees of the district.

SEC. 9. Section 33038 of the Health and Safety Code is repealed.

SEC. 10. Section 33320.51 of the Health and Safety Code is amended and renumbered to read:

33492.43. (a) Any redevelopment plan, or any amendment to an existing redevelopment plan adopted on or after July 1, 1993, that is subject to Section 33492.40, may utilize as the base year either the year it was adopted or the 1994–95 fiscal year, at the option of the adopting agency, as referenced by a duly adopted ordinance of the governing board. If the governing board adopts the 1994–95 fiscal year as the base year, that designation shall remain in effect only until the time that the county assessor certifies that assessed values for the redevelopment project area equal or exceed the assessed value in the initial base year. When that

1 certification is made by the county assessor, the base year shall
2 revert to the initial base year at the time of plan adoption.

3 (b) To the extent any adjustment in the base year pursuant to
4 this section creates a negative fiscal impact on the state, the
5 governing board shall, on or before the expiration of five years
6 from the date of the adjustment of the base year pursuant to this
7 section, remit to the ~~State~~ Controller the total amount of increased
8 aid to schools received from the state as a result of the adjustment
9 in the base year as determined by the Department of Finance in
10 consultation with the governing board.

11 SEC. 11. Section 20395 of the Public Contract Code is amended
12 to read:

13 20395. In any county that has appointed a road commissioner
14 pursuant to Section 2006 of the Streets and Highways Code, or in
15 any county that has abolished the office of road commissioner and
16 complied with Section 2006.1 of the Streets and Highways Code,
17 the board may authorize the road commissioner, or a registered
18 civil engineer under the direction of the county director of
19 transportation, to have any work upon county highways done under
20 his or her supervision and direction. The work may be done in any
21 of the following ways:

22 (a) By letting a contract covering both work and material. In
23 that event, the contract shall be let to the lowest responsible bidder
24 as provided in this article.

25 (b) By purchasing the material and letting a contract for the
26 performance of the work. In that event, the material shall be bought
27 at the lowest possible cost and the contract let to the lowest
28 responsible bidder as provided in this article.

29 (c) By purchasing the material and having the work done by
30 day labor, in which case advertising for bids is not required.

31 (d) (1) By authorizing the county road commissioner or a
32 registered civil engineer under the direction of the county director
33 of transportation to execute changes or additions to the work for
34 any contract pursuant to this section in an amount not to exceed
35 five thousand dollars (\$5,000) for contracts of fifty thousand dollars
36 (\$50,000) or less, or 10 percent for contracts over fifty thousand
37 dollars (\$50,000) but not to exceed two hundred fifty thousand
38 dollars (\$250,000). In no event shall any change or addition to the
39 work exceed a net total addition of twenty-five thousand dollars
40 (\$25,000).

1 (2) For contracts whose original cost exceeds two hundred fifty
2 thousand dollars (\$250,000), the extra cost for any change or
3 addition to the work so ordered shall not exceed twenty-five
4 thousand dollars (\$25,000), plus 5 percent of the amount of the
5 original contract cost in excess of two hundred fifty thousand
6 dollars (\$250,000). In no event shall any change or alteration
7 exceed two hundred ten thousand dollars (\$210,000).

8 (e) By purchasing the material and letting a contract for the
9 work or by letting a contract covering both work and material
10 without advertising for bids when the estimated cost of emergency
11 work necessitated by the imminence or occurrence of a landslide,
12 flood, storm damage, or other emergency exceeds twenty-five
13 thousand dollars (\$25,000) and the public interest and necessity
14 demand immediate action to safeguard life, health, or property.

15 *SEC. 11.5. Section 21669.5 of the Public Utilities Code is*
16 *amended to read:*

17 21669.5. (a) For purposes of this section, the following terms
18 have the following meanings:

19 (1) (A) “Avigation easement” means a less-than-fee-title
20 transfer of real property rights from the property owner that may
21 convey to an owner or operator of an airport any or all of the
22 following rights:

23 (i) A right-of-way for the free and unobstructed passage of
24 aircraft through the airspace over the property at any altitude above
25 a specified surface.

26 (ii) A right to subject the property to noise, vibration, fumes,
27 dust, and fuel particle emissions associated with normal airport
28 activity.

29 (iii) A right to prohibit the erection or growth of any structure,
30 tree, or other object that would enter the acquired airspace.

31 (iv) A right-of-entry onto the property, with proper advance
32 notice, for the purpose of removing, marking, or lighting any
33 structure or other object that enters the acquired airspace.

34 (v) A right to prohibit electrical interference, glare, misleading
35 lights, visual impairments, and other hazards to aircraft flight from
36 being created on the property.

37 (B) “Avigation easement” includes an easement obtained
38 pursuant to paragraph (2) of subdivision (a) of Section 21652.

1 (2) “CNEL” means community noise equivalent level
2 established pursuant to Chapter 6 (commencing with Section 5000)
3 of Division 2.5 of Title 21 of the California Code of Regulations.

4 (3) “Noise-sensitive land use” means residential uses, including
5 detached single-family dwellings, multifamily dwellings, highrise
6 apartments or condominiums, mobilehomes, public and private
7 educational facilities, hospitals, convalescent homes, churches,
8 synagogues, temples, and other places of worship.

9 (4) “Noise-sensitive project” means a project involving new
10 construction or reconstruction for a planned noise-sensitive land
11 use within an airport’s 65 decibels CNEL or higher noise contour.

12 (b) If a political subdivision conditions approval of a
13 noise-sensitive project upon the grant of an avigation easement to
14 the owner or operator of an airport, the avigation easement shall
15 be required to be granted to the owner or operator of the airport
16 prior to the issuance of the building permit that allows construction
17 or reconstruction of the noise-sensitive project. The owner or
18 operator of an airport that is granted an avigation easement as a
19 condition for approval of a noise-sensitive project pursuant to this
20 subdivision shall be entitled to immediately record it upon receipt.

21 (c) An avigation easement granted to the owner or operator of
22 an airport as a condition for approval of a noise-sensitive project
23 shall include a termination clause that operates to terminate the
24 avigation easement if the noise-sensitive project is not built and
25 the permit or any permit extension authorizing construction or
26 reconstruction of the noise-sensitive project has expired or has
27 been revoked.

28 (d) Within 30 days after expiration or revocation of a permit or
29 permit extension that authorized construction or reconstruction of
30 a noise-sensitive project and was conditioned upon the property
31 owner granting an avigation easement to the owner or operator of
32 an airport, the political subdivision that had issued the permit shall
33 notify the owner or operator of the airport of the expiration or
34 revocation of the permit. Within 90 days after receipt of the notice
35 from the political subdivision, the owner or operator of the airport
36 shall record a notice of termination with the county recorder in
37 which the property is located. Proof of filing of the notice of
38 termination shall be provided to the political subdivision by the
39 owner or operator of the airport within 30 days of recordation.

1 (e) Notwithstanding Sections 6103 and 27383 of the Government
2 Code, ~~in filing any instrument, paper, or notice pursuant to this~~
3 ~~section~~, the owner or operator of an airport shall pay all applicable
4 recording fees prescribed by law *for the filing of a notice of*
5 *termination pursuant to this section.*

6 SEC. 12. Section 99243 of the Public Utilities Code is amended
7 to read:

8 99243. (a) The Controller, in cooperation with the department
9 and the operators, shall design and adopt a uniform system of
10 accounts and records, from which the operators shall prepare and
11 submit annual reports of their operation to the transportation
12 planning agencies having jurisdiction over them and to the
13 Controller within 90 days of the end of the fiscal year. If the report
14 is filed in electronic format as prescribed by the Controller, the
15 report shall be furnished within 110 days after the close of each
16 fiscal year. The report shall specify (1) the amount of revenue
17 generated from each source and its application for the prior fiscal
18 year and (2) the data necessary to determine which section, with
19 respect to Sections 99268.1, 99268.2, 99268.3, 99268.4, 99268.5,
20 and 99268.9, the operator is required to be in compliance ~~with~~ in
21 order to be eligible for funds under this article.

22 (b) As a supplement to the annual report prepared pursuant to
23 subdivision (a), each operator shall include an estimate of the
24 amount of revenues to be generated from each source and its
25 proposed application for the next fiscal year, and a report on the
26 extent to which it has contracted with the Prison Industry Authority,
27 including the nature and dollar amounts of all contracts entered
28 into during the reporting period and proposed for the next reporting
29 period.

30 (c) The Controller shall instruct the county auditor to withhold
31 payments from the fund to an operator that has not submitted its
32 annual report to the Controller within the time specified by
33 subdivision (a).

34 (d) In establishing the uniform system of accounts and records,
35 the Controller shall include the data required by the United States
36 Department of Transportation and the department.

37 (e) Notwithstanding any other law or any regulation, including
38 any California Code of Regulations provision, the City of El
39 Segundo, the City of Huntington Beach, the City of Inglewood,
40 the City of Long Beach, or the City of South Lake Tahoe may

1 select, for purposes of this chapter, on a one-time basis, a fiscal
2 year that does not end on June 30. After the city has sent a written
3 notice to the Secretary of Business, Transportation and Housing
4 and the Controller that the city has selected a fiscal year other than
5 one ending on June 30, the fiscal year selected by the city shall be
6 its fiscal year for all reports required by the state under this chapter.

7 *SEC. 12.5. Part 16 (commencing with Section 36000) of*
8 *Division 2 of the Revenue and Taxation Code is repealed.*

9 *SEC. 13. Section 2151 of the Streets and Highways Code is*
10 *amended to read:*

11 2151. On or before the first day of October of each year, the
12 governing body of each county and city shall cause to be made
13 and filed with the Controller a complete report of the expenditures
14 for street or road purposes during the preceding fiscal year ending
15 on the 30th day of June. However, the City of El Segundo, the
16 City of Huntington Beach, the City of Inglewood, the City of Long
17 Beach, or the City of South Lake Tahoe may send, on a one-time
18 basis, a written notice to the Controller that it has selected a fiscal
19 year ending on a date other than June 30, and, in that case, the
20 fiscal year selected by the city shall be its fiscal year for reports
21 under this section.

22 The Controller shall prescribe the form and contents of the report.
23 The report shall show the amount expended for construction by
24 contract, maintenance by contract, construction by day labor, and
25 maintenance by day labor. For construction and maintenance by
26 day labor, the amount shall include the cost of material, labor,
27 equipment, and overhead for work performed thereunder.

28 The board of supervisors of each county shall by appropriate
29 action, at any regular or special meeting, designate either the county
30 road commissioner or the county auditor as the person responsible
31 for making and signing the report required by this section. When
32 the road commissioner is designated to make and sign the report,
33 the county auditor shall certify the report before it is filed with the
34 Controller. When the county auditor is designated to make and
35 sign the report, the road commissioner shall certify the report
36 before it is filed with the Controller. Reports made by each city
37 shall be certified by the city's fiscal officer.

38 *SEC. 13.5. Section 22525 of the Streets and Highways Code*
39 *is amended to read:*

1 22525. “Improvement” means one or any combination of the
2 following:

3 (a) The installation or planting of landscaping.

4 (b) The installation or construction of statuary, fountains, and
5 other ornamental structures and facilities.

6 (c) The installation or construction of public lighting facilities,
7 including, but not limited to, traffic signals.

8 (d) The installation or construction of any facilities which are
9 appurtenant to any of the foregoing or which are necessary or
10 convenient for the maintenance or servicing thereof, including,
11 but not limited to, grading, clearing, removal of debris, the
12 installation or construction of curbs, gutters, walls, sidewalks, or
13 paving, or water, irrigation, drainage, or electrical facilities.

14 (e) The installation of park or recreational improvements,
15 including, but not limited to, all of the following:

16 (1) Land preparation, such as grading, leveling, cutting and
17 filling, sod, landscaping, irrigation systems, sidewalks, and
18 drainage.

19 (2) Lights, playground equipment, play courts, and public
20 restrooms.

21 (f) The maintenance or servicing, or both, of any of the
22 foregoing, *and of any improvement authorized by subdivision (i).*

23 (g) The acquisition of land for park, recreational, or open-space
24 purposes.

25 (h) The acquisition of any existing improvement otherwise
26 authorized pursuant to this section.

27 (i) The acquisition or construction of any community center,
28 municipal auditorium or hall, or similar public facility for the
29 indoor presentation of performances, shows, stage productions,
30 fairs, conventions, exhibitions, pageants, meetings, parties, or other
31 group events, activities, or functions, whether those events,
32 activities, or functions are public or private.

33 SEC. 14. Section 36522 of the Streets and Highways Code is
34 amended to read:

35 36522. Proceedings to establish a parking and business
36 improvement area shall be instituted by the adoption by the city
37 council of a resolution of intention to establish the area. The
38 resolution of intention shall do all of the following:

39 (a) State that a parking and business improvement area is
40 proposed to be established pursuant to this chapter and describe

1 the boundaries of the territory proposed to be included in the area
2 and the boundaries of each separate benefit zone to be established
3 within the area. The boundaries of the area may be described by
4 reference to a map on file in the office of the clerk, showing the
5 proposed area.

6 (b) State the name of the proposed area.

7 (c) State the type or types of improvements and activities
8 proposed to be funded by the levy of assessments on businesses
9 in the area. The resolution of intention shall specify any
10 improvements to be acquired.

11 (d) State that, except where funds are otherwise available, an
12 assessment will be levied annually to pay for all improvements
13 and activities within the area.

14 (e) State the proposed method and basis of levying the
15 assessment in sufficient detail to allow each business owner to
16 estimate the amount of the assessment to be levied against his or
17 her business.

18 (f) State whether new businesses will be exempt from the levy
19 of the assessment, pursuant to Section 36531.

20 (g) Fix a time and place for a public hearing on the establishment
21 of the parking and business improvement area and the levy of
22 assessments, which shall be consistent with the requirements of
23 Section 54954.6 of the Government Code.

24 (h) State that at the hearing the testimony of all interested
25 persons for or against the establishment of the area, the extent of
26 the area, or the furnishing of specified types of improvements or
27 activities will be heard.

28 (i) Describe, in summary, the effect of protests made by business
29 owners against the establishment of the area, the extent of the area,
30 and the furnishing of a specified type of improvement or activity,
31 as provided in Section 36524.

32 *SEC. 15. Section 36608 of the Streets and Highways Code is*
33 *amended to read:*

34 36608. "City" means a city, county, city and county, or an
35 agency or entity created pursuant to Article 1 (commencing with
36 Section 6500) of Chapter 5 of Division 7 of Title 1 of the
37 Government Code, the public member agencies of which includes
38 only cities, counties, or a city and county, *or the State of California.*

39 *SEC. 16. Section 36615 of the Streets and Highways Code is*
40 *amended to read:*

1 36615. “Property owner” ~~or “owner”~~ means any person shown
2 as the owner of land on the last equalized assessment roll or
3 otherwise known to be the owner of land by the city council.
4 *“Business owner” means any person recognized by the city as the*
5 *owner of the business. “Owner” means either a business owner*
6 *or a property owner.* The city council has no obligation to obtain
7 other information as to the ownership of land *or businesses*, and
8 its determination of ownership shall be final and conclusive for
9 the purposes of this part. Wherever this ~~subdivision~~ *part* requires
10 the signature of the property owner, the signature of the authorized
11 agent of the property owner shall be sufficient. *Wherever this part*
12 *requires the signature of the business owner, the signature of the*
13 *authorized agent of the business owner shall be sufficient.*

14 SEC. 17. Section 36622 of the Streets and Highways Code is
15 amended to read:

16 36622. The management district plan shall contain all of the
17 following:

18 (a) ~~A~~ *If the assessment will be levied on property, a map of the*
19 *district in sufficient detail to locate each parcel of property and, if*
20 *businesses are to be assessed, each business within the district. If*
21 *the assessment will be levied on businesses, a map that identifies*
22 *the district boundaries in sufficient detail to allow a business owner*
23 *to reasonably determine whether a business is located within the*
24 *district boundaries. If the assessment will be levied on property*
25 *and businesses, a map of the district in sufficient detail to locate*
26 *each parcel of property and to allow a business owner to*
27 *reasonably determine whether a business is located within the*
28 *district boundaries.*

29 (b) The name of the proposed district.

30 (c) A description of the boundaries of the district, including the
31 boundaries of benefit zones, proposed for establishment or
32 extension in a manner sufficient to identify the affected lands and
33 businesses included. The boundaries of a proposed property
34 assessment district shall not overlap with the boundaries of another
35 existing property assessment district created pursuant to this part.
36 This part does not prohibit the boundaries of a district created
37 pursuant to this part to overlap with other assessment districts
38 established pursuant to other provisions of law, including, but not
39 limited to, the Parking and Business Improvement Area Law of
40 1989 (Part 6 (commencing with Section 36500)). This part does

1 not prohibit the boundaries of a business assessment district created
2 pursuant to this part to overlap with another business assessment
3 district created pursuant to this part. This part does not prohibit
4 the boundaries of a business assessment district created pursuant
5 to this part to overlap with a property assessment district created
6 pursuant to this part.

7 (d) The improvements and activities proposed for each year of
8 operation of the district and the maximum cost thereof.

9 (e) The total annual amount proposed to be expended for
10 improvements, maintenance and operations, and debt service in
11 each year of operation of the district.

12 (f) The proposed source or sources of financing, including the
13 proposed method and basis of levying the assessment in sufficient
14 detail to allow each property or business owner to calculate the
15 amount of the assessment to be levied against his or her property
16 or business. The plan also shall state whether bonds will be issued
17 to finance improvements.

18 (g) The time and manner of collecting the assessments.

19 (h) The specific number of years in which assessments will be
20 levied. In a new district, the maximum number of years shall be
21 five. Upon renewal, a district shall have a term not to exceed 10
22 years. Notwithstanding these limitations, a district created pursuant
23 to this part to finance capital improvements with bonds may levy
24 assessments until the maximum maturity of the bonds. The
25 management district plan may set forth specific increases in
26 assessments for each year of operation of the district.

27 (i) The proposed time for implementation and completion of
28 the management district plan.

29 (j) Any proposed rules and regulations to be applicable to the
30 district.

31 (k) A list of the properties or businesses to be assessed, including
32 the assessor's parcel numbers for properties to be assessed, and a
33 statement of the method or methods by which the expenses of a
34 district will be imposed upon benefited real property or businesses,
35 in proportion to the benefit received by the property or business,
36 to defray the cost thereof, including operation and maintenance.
37 The plan may provide that all or any class or category of real
38 property which is exempt by law from real property taxation may
39 nevertheless be included within the boundaries of the district but
40 shall not be subject to assessment on real property.

1 (l) Any other item or matter required to be incorporated therein
2 by the city council.

3 *SEC. 18. Section 36623 of the Streets and Highways Code is*
4 *amended to read:*

5 36623. (a) If a city council proposes to levy a new or increased
6 property assessment, the notice and protest and hearing procedure
7 shall comply with Section 53753 of the Government Code.

8 (b) If a city council proposes to levy a new or increased business
9 assessment, the notice and protest and hearing procedure shall
10 comply with Section 54954.6 of the Government Code, except
11 that notice shall be mailed to the owners of the businesses proposed
12 to be assessed. A protest may be made orally or in writing by any
13 interested person. Every written protest shall be filed with the clerk
14 at or before the time fixed for the public hearing. The city council
15 may waive any irregularity in the form or content of any written
16 protest. A written protest may be withdrawn in writing at any time
17 before the conclusion of the public hearing. Each written protest
18 shall contain a description of the business in which the person
19 subscribing the protest is interested sufficient to identify the
20 business and, if a person subscribing is not shown on the official
21 records of the city as the owner of the business, the protest shall
22 contain or be accompanied by written evidence that the person
23 subscribing is the owner of the business *or the authorized*
24 *representative*. A written protest ~~which~~ *that* does not comply with
25 this section shall not be counted in determining a majority protest.
26 If written protests are received from the owners *or authorized*
27 *representatives* of businesses in the proposed district ~~which~~ *that*
28 will pay 50 percent or more of the assessments proposed to be
29 levied and protests are not withdrawn so as to reduce the protests
30 to less than 50 percent, no further proceedings to levy the proposed
31 assessment against such businesses, as contained in the resolution
32 of intention, shall be taken for a period of one year from the date
33 of the finding of a majority protest by the city council.

34 *SEC. 19. Section 36625 of the Streets and Highways Code is*
35 *amended to read:*

36 36625. (a) If the city council, following the public hearing,
37 decides to establish the proposed property and business
38 improvement district, the city council shall adopt a resolution of
39 formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property—~~or~~, businesses, *or both* within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties~~—or~~, businesses, *or properties and businesses* in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, *if required*, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

SEC. 20. Section 36627 of the Streets and Highways Code is amended to read:

36627. Following adoption of the resolution establishing the district *assessments on properties* pursuant to Section 36625 or *Section 36626*, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. ~~If the assessment~~

1 ~~is levied on businesses, the text of the recorded notice shall be~~
2 ~~modified to reflect that the assessment will be levied on businesses,~~
3 ~~or specified categories of businesses, within the area of the district.~~
4 No other provision of Division 4.5 (commencing with Section
5 3100) applies to an assessment district created pursuant to this
6 part.

7 *SEC. 21. Section 36631 of the Streets and Highways Code is*
8 *amended to read:*

9 36631. The collection of the assessments levied pursuant to
10 this part shall be made at the time and in the manner set forth by
11 the city council in the resolution ~~establishing the management~~
12 ~~district plan described in Section 36622~~ *levying the assessment.*
13 Assessments levied on real property may be collected at the same
14 time and in the same manner as for the ad valorem property tax,
15 and may provide for the same lien priority and penalties for
16 delinquent payment. All delinquent payments for assessments
17 levied pursuant to this part shall be charged interest and penalties.

18 *SEC. 22. Section 36670 of the Streets and Highways Code is*
19 *amended to read:*

20 36670. (a) Any district established or extended pursuant to
21 the provisions of this part, where there is no indebtedness,
22 outstanding and unpaid, incurred to accomplish any of the purposes
23 of the district, may be disestablished by resolution by the city
24 council in either of the following circumstances:

25 (1) If the city council finds there has been misappropriation of
26 funds, malfeasance, or a violation of law in connection with the
27 management of the district, it shall notice a hearing on
28 disestablishment.

29 (2) During the operation of the district, there shall be a 30-day
30 period each year in which assesseees may request disestablishment
31 of the district. The first such period shall begin one year after the
32 date of establishment of the district and shall continue for 30 days.
33 The next such 30-day period shall begin two years after the date
34 of the establishment of the district. Each successive year of
35 operation of the district shall have such a 30-day period. Upon the
36 written petition of the owners *or authorized representatives* of real
37 property *or the owners or authorized representatives* of businesses
38 in the area who pay 50 percent or more of the assessments levied,
39 the city council shall pass a resolution of intention to disestablish

1 the district. The city council shall notice a hearing on
2 disestablishment.

3 (b) The city council shall adopt a resolution of intention to
4 disestablish the district prior to the public hearing required by this
5 section. The resolution shall state the reason for the
6 disestablishment, shall state the time and place of the public
7 hearing, and shall contain a proposal to dispose of any assets
8 acquired with the revenues of the assessments levied within the
9 property and business improvement district. The notice of the
10 hearing on disestablishment required by this section shall be given
11 by mail to the property owner of each parcel or to the owner of
12 each business subject to assessment in the district, as appropriate.
13 The city shall conduct the public hearing not less than 30 days
14 after mailing the notice to the property or business owners. The
15 public hearing shall be held not more than 60 days after the
16 adoption of the resolution of intention.

17 ~~SEC. 15.~~

18 *SEC. 23.* The Legislature finds and declares that a special law
19 is necessary and that a general law cannot be made applicable
20 within the meaning of Section 16 of Article IV of the California
21 Constitution because of the unique circumstances of the fiscal
22 years used by the City of El Segundo, the City of Inglewood, and
23 the City of Long Beach.